

BOND UPDATE : MARKETS REMAIN IN A HEIGHTENED STATE.

WE REMAIN CLOSE TO RECENT TRENDING YIELD LOWS YET SEVERAL EXTENDED RSI'S ARE CALLING FOR A YIELD BOUNCE, A VERY MIXED PICTURE!

ONE RELIABLE BOND IS POISED FOR A PULL BACK, THE DBR 46'S (page 18).

TOUGH CALL HERE, WE HAVE ENORMOUS RANGES THIS MONTH, TRENDING MARKETS, RSI EXTENSIONS AND A RATTLED CHINA-TRUMP TRADE DEAL. AVOID TOO MUCH WEEKEND EXPOSURE.

YIELDS DO LOOK TO OF COME ALONG WAY BUT GIVEN TRADE TENSIONS REMAIN THAT FUELS THE ARGUMENT FOR LOWER STOCKS-YIELDS.

SUGGESTION IS TAKE PROFITS ON ANY LONG BOND POSITIONING BUT BE WILLING TO RE PURCHASE NEW HIGHS SHOULD STOCKS FAIL.

WE HAVE ALSO GENERATED A HUGE AMOUNT OF VOLATILITY IN THE FIRST 9 DAYS OF THIS MONTH.

USGG30yr monthly : One of the biggest ranges in a while but that could easily continue IF stocks fail.



09/08/2019

USGG30yr weekly : The RSI extension is now pretty extended but lets see what the weekly close BRINGS.



09/08/2019

USGG30yr yield daily : We seem to be spending a lot of time at the lower end of the recent range sandwiched in between the retracements. A breach of the recent low or 138.2% ret 2.3152 should formulate a follow through move.



US 10yr yield quarterly : We continue to trend lower with little support looming.



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USFS 10-20 monthly : This trade idea from November 2018 may soon be flagging up a profit take, given the RSI extension.



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US 10yr yield weekly : A LOWISH RSI but lets see what the weekly close is.



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USGG10yr daily : Yet another low RSI but we are remaining sub the 76.4% ret 1.7762.



09/08/2019

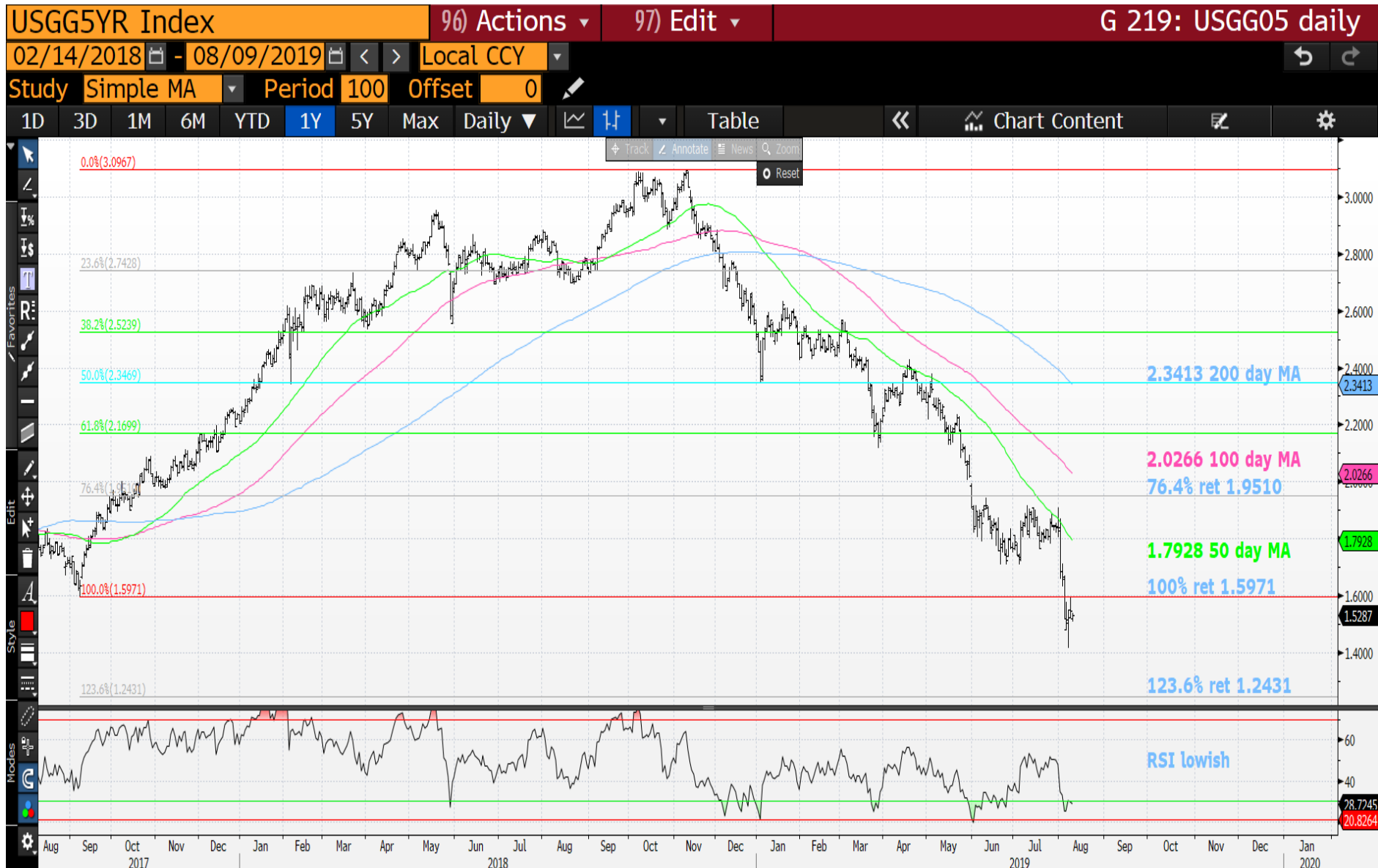
USGG5yr quarterly : We have ONLY just failed the reliable moving average 1.9262.



USGG5yr monthly : We continue to fail and the RSI is now off its lows, a worrying scenario.



USGG5yr daily : Another RSI off its lows and failure at the 100% ret 1.5971. For those looking for a stop on bond longs then above the retracement should work.



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USGG2yr quarterly : We continue to grind lower toward the 1.1909 moving average.



USGG2yr monthly : We have breached the 23.6% ret 1.7448 and continue to grind lower.



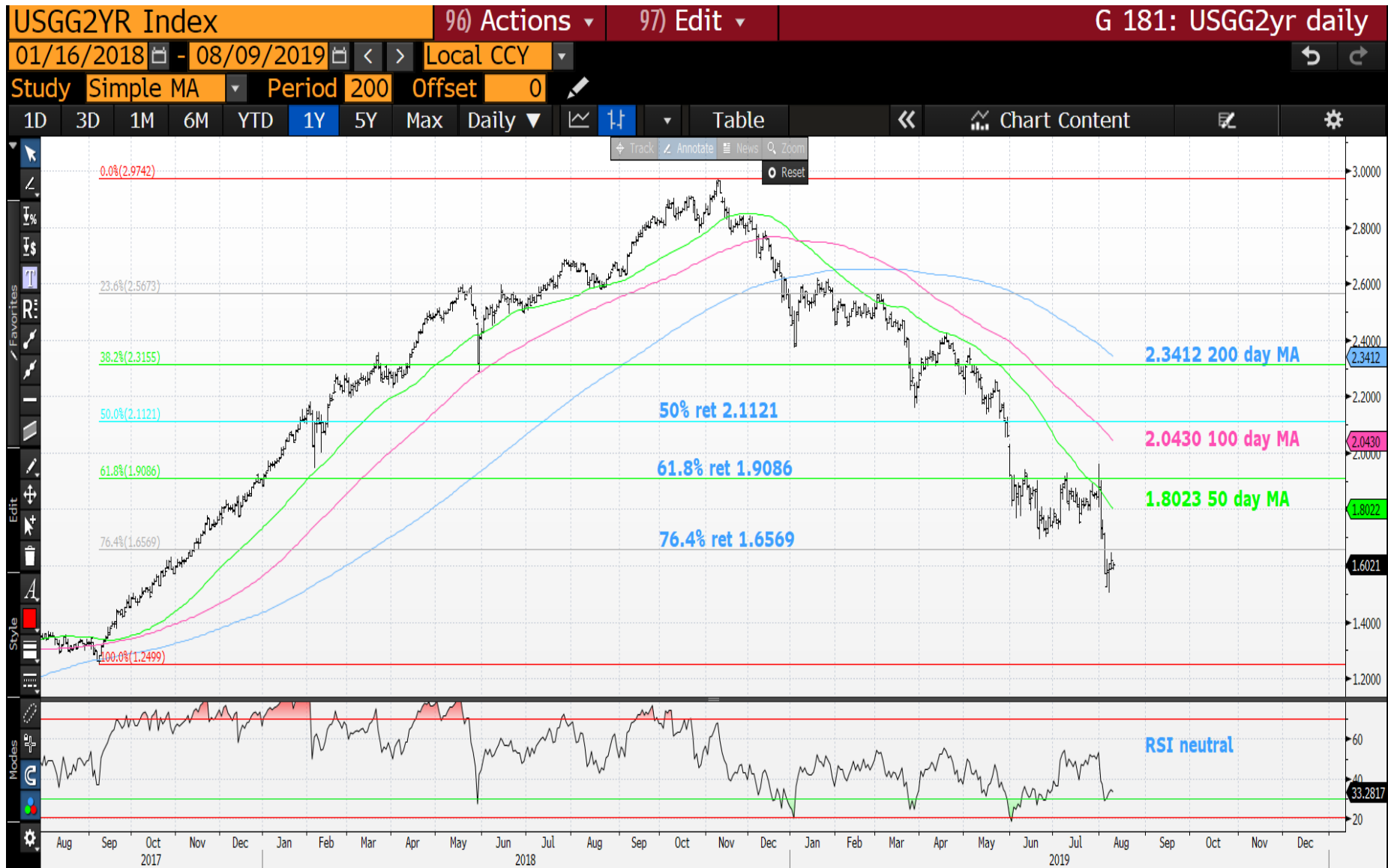
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USGG2yr monthly : Another lowish RSI but whilst sub the 1.6366 moving average all remains negative for yields.

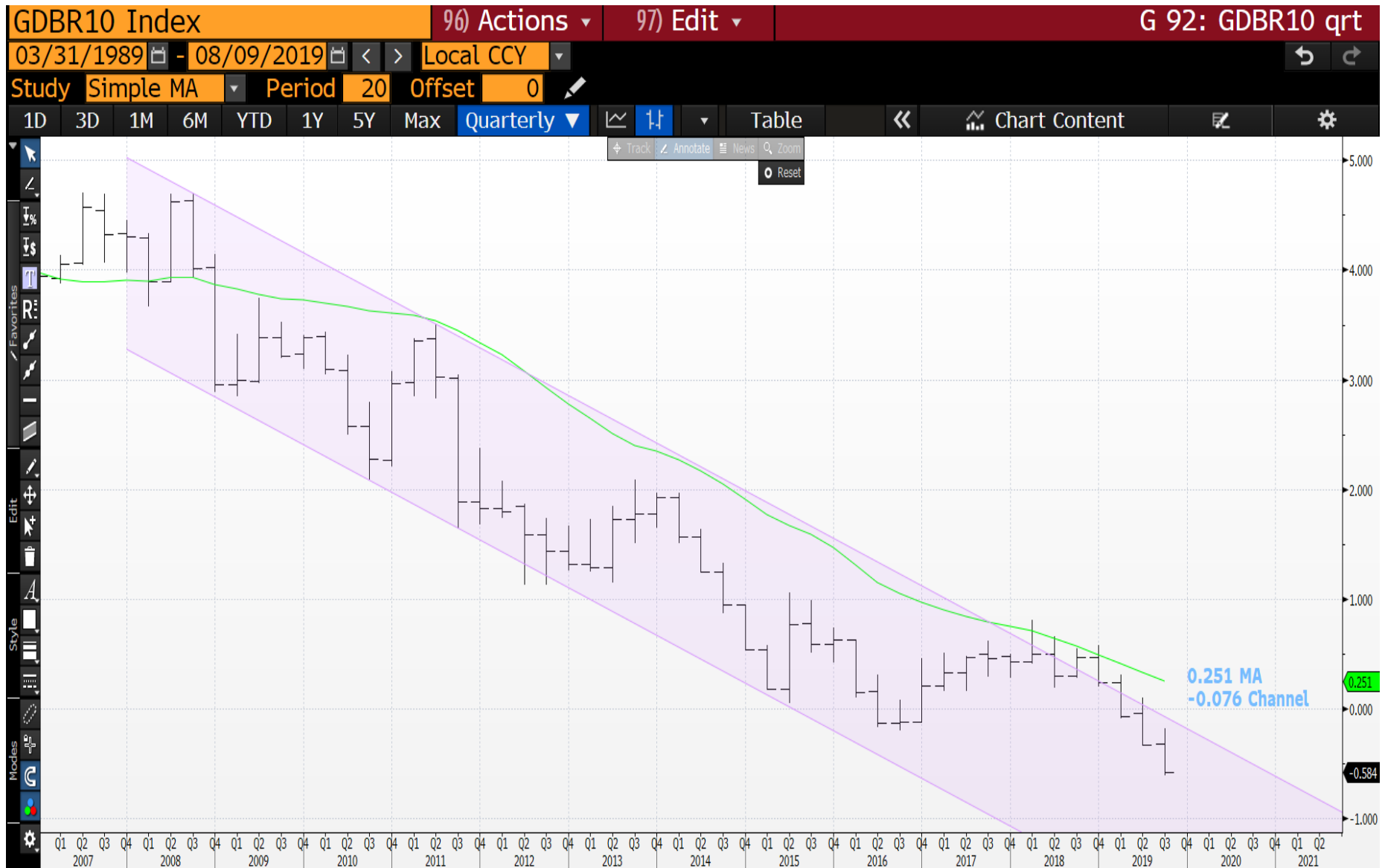


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USGG2yr daily : The trend prevails and whilst sub the 76.4% ret 1.6569 we head lower.



Generic German 10yr quarterly : We have NEW YEAR yield low despite the yields involved.
CTA's continue to ADD to bond longs.



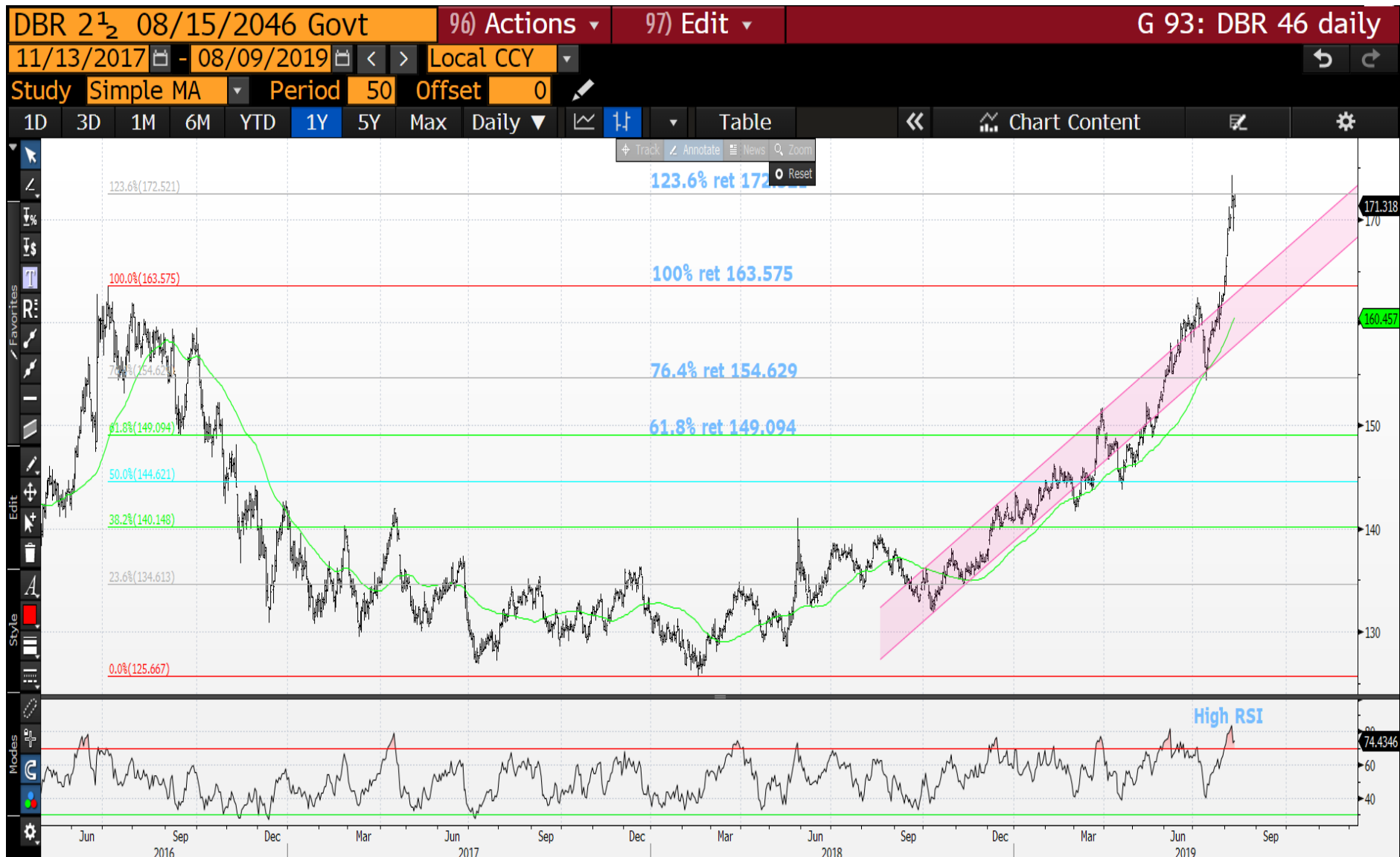
Generic German 10yr daily : Despite the RSI we remain VERY close to the recent lows.



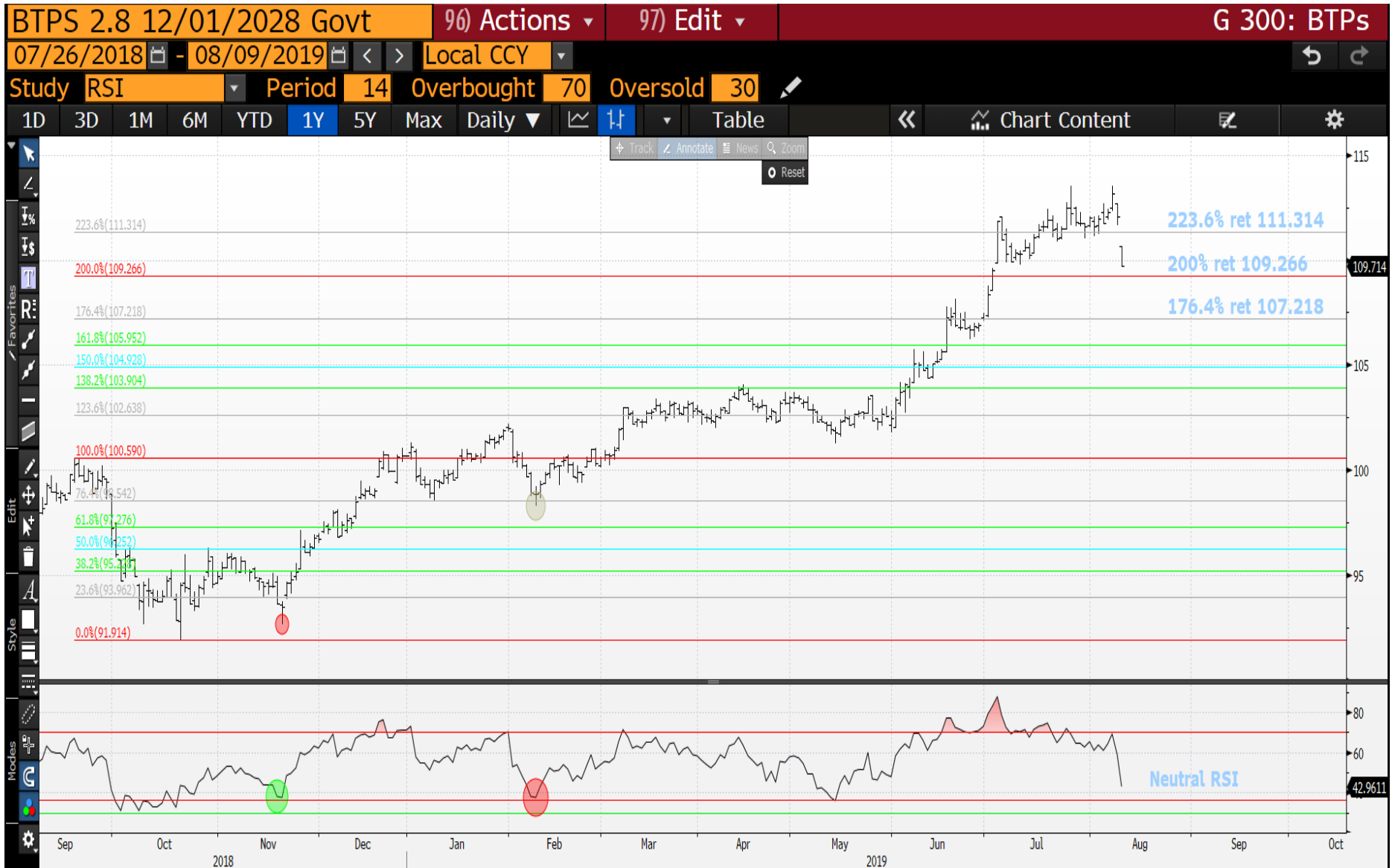
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DBR 46 daily : Probably the ONLY chart calling for a profit take, we have a pierce at the 123.6% ret 172.521 and RSI. Take profits on this long but be willing to buy a new high if it occurs.



BTP 12/28 daily : This HAS been a VERY neutral chart hence a recent neutral bias. We should head lower from here but be willing to re-enter longs, once the RSI has dislocated.



GUKG10 monthly : Similar to Germany, plenty more downside so don't rush into relinquishing bond longs in a hurry.



This research was prepared by Chris Williams. He is a self-employed contractor with Astor Ridge. A history of his research can be provided upon request in compliance with the European Commission's Market Abuse Regulation.

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